

SUBCOMMITTEE NO. 3

Agenda

Senator Richard Pan, M.D., Chair
Senator William W. Monning
Senator Jeff Stone



Thursday, May 11, 2017
9:30 a.m. or upon adjournment of session
State Capitol - Room 4203

Consultant: Scott Ogus

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PUBLIC COMMENT

Pursuant to the Americans with Disabilities Act, individuals who, because of a disability, need special assistance to attend or participate in a Senate Committee hearing, or in connection with other Senate services, may request assistance at the Senate Rules Committee, 1020 N Street, Suite 255 or by calling (916) 651-1505. Requests should be made one week in advance whenever possible.

VOTE ONLY**4120 EMERGENCY MEDICAL SERVICES AUTHORITY****Issue 1: E-Commerce Online Paramedic Licensing Module (eGov)**

Budget Issue. EMSA requests expenditure authority from the Emergency Medical Services Personnel Fund of \$211,000 in 2017-18, and \$71,000 annually thereafter. If approved, these resources would allow EMSA to purchase proprietary software to implement an online paramedic licensing application system.

Program Funding Request Summary		
Fund Source	2016-17	2017-18
0312 – EMS Personnel Fund	\$-	\$211,000
Total Funding Request:	\$-	\$211,000

This issue was heard during the subcommittee's May 4th hearing.

Subcommittee Staff Comment and Recommendation—Approve. Implementation of the eGov module for online paramedic licensing was part of the original planning for EMSA's centralized licensing system mandated by AB 2917 (Torricco), Chapter 274, Statutes of 2008. Approval of this request, funded by special fund revenue from EMT licensing fees, will allow EMSA to reduce licensing workload and improve the licensing process for applicants.

Issue 2: EMT-P Discipline Case Workload

Budget Issue. EMSA requests two positions and expenditure authority from the Emergency Medical Services Personnel Fund of \$314,000 in 2017-18 and 2018-19. If approved, these resources would allow EMSA to manage an increase in disciplinary legal caseload related to its oversight of paramedic licensing.

Program Funding Request Summary		
Fund Source	2016-17	2017-18
0312 – EMS Personnel Fund	\$-	\$314,000
Total Funding Request:	\$-	\$314,000
Total Positions Requested:	2.0	

This issue was heard during the subcommittee's May 4th hearing.

Subcommittee Staff Comment and Recommendation—Approve. EMSA's unexpected increase in legal workload related to local plan appeals warrants additional resources on a temporary basis to manage neglected paramedic licensing disciplinary workload. Approval of this request, funded by special fund revenue from EMT licensing fees for two years, will allow EMSA to manage its paramedic

disciplinary workload in the short-term and reassess its needs if other legal workload declines in the future.

4140 OFFICE OF STATEWIDE HEALTH PLANNING AND DEVELOPMENT

Issue 1: Health Care Workforce Recruitment Legislation (AB 2024 and AB 2048)

Budget Issue. OSHPD requests expenditure authority from the California Health Data and Planning Fund of \$400,000 in 2017-18, \$250,000 in 2018-19 and 2019-20, and \$70,000 in 2020-21 through 2023-24. If approved, these resources would allow OSHPD to implement health care workforce requirements pursuant to AB 2024 (Wood), Chapter 496, Statutes of 2016, and AB 2048 (Gray), Chapter 454, Statutes of 2016.

Program Funding Request Summary		
Fund Source	2016-17	2017-18
0143 – CA Health Data & Planning Fund	\$-	\$400,000
Total Funding Request:	\$-	\$400,000
Total Positions Requested:	0.0	

This issue was heard during the subcommittee's April 27th hearing.

Subcommittee Staff Comment and Recommendation—Approve. AB 2024 requires OSHPD to collect data from critical access hospitals to report on physician and surgeon recruitment. The requested resources are reasonable to implement the data collection protocols and prepare the required report. AB 2048 requires OSHPD to add 2,500 FQHC sites to its state loan repayment certified eligible sites list. The expected increase in technical assistance requests warrants additional resources to manage this increased workload. Approval of this request, funded by special fund revenue from health facility fees, will allow OSHPD to implement these legislative requirements.

Issue 2: Elective Percutaneous Coronary Interventions Reporting

Budget Issue. OSHPD requests two positions (conversion of limited-term to permanent) and expenditure authority from the California Health Data and Planning Fund of \$358,000 annually. If approved, these resources would allow OSHPD to continue to collect data and analyze clinical outcomes for the Elective Percutaneous Coronary Interventions (PCI) program authorized by SB 906 (Correa), Chapter 368, Statutes of 2014.

Program Funding Request Summary		
Fund Source	2016-17	2017-18
0143 – CA Health Data & Planning Fund	\$-	\$358,000
Total Funding Request:	\$-	\$358,000
Total Positions Requested:	2.0	

This issue was heard during the subcommittee's April 27th hearing.

Subcommittee Staff Comment and Recommendation—Approve. SB 906 requires annual reporting on outcomes for elective PCI performed in hospitals without on-site surgical backup. Reauthorization of the previously approved positions and resources for this purpose is appropriate given the ongoing mandate of the legislation. Approval of this request, funded by special fund revenue from health facility fees, will allow OSHPD to continue planning and preparation for delivery of its outcomes reporting.

Issue 3: Relocation Rent Adjustment

Budget Issue. OSHPD requests expenditure authority from special funds of \$1.2 million annually. If approved, these resources would support rent increases associated with OSHPD’s planned relocation of its Sacramento headquarters and Los Angeles location due to expiring lease agreements.

Program Funding Request Summary		
Fund Source	2016-17	2017-18
0121 – Hospital Building Fund	\$-	\$733,000
0143 – CA Health Data & Planning Fund	\$-	\$402,000
0518 – Health Facility Construction Loan Insurance Fund	\$-	\$72,000
0829 – Health Professions Education Fund	\$-	(\$11,000)
3085 – Mental Health Services Fund	\$-	\$4,000
Total Funding Request:	\$-	\$1,200,000

This issue was heard during the subcommittee’s April 27th hearing.

Subcommittee Staff Comment and Recommendation—Approve. The expiration of OSHPD’s existing lease agreements led to the need to find alternative office locations for its staff in Sacramento and Los Angeles. OSHPD is working with the Department of General Services to negotiate favorable lease terms in a tightening commercial real estate market. Approval of this request, funded by various special funds, will allow OSHPD to manage these necessary office relocations.

4150 DEPARTMENT OF MANAGED HEALTH CARE

Issue 1: Help Center Case Backlog and Workload

Budget Issue. DMHC requests 11 positions and expenditure authority from the Managed Care Fund of \$3.4 million in 2017-18, \$3.3 million in 2018-19 and 2019-20, and \$2.7 million annually thereafter. If approved, these resources would allow DMHC’s Help Center to address increased workload and subsequent backlog attributed to full implementation of the Affordable Care Act and conforming legislation.

Program Funding Request Summary		
Fund Source	2016-17	2017-18
0933 – Managed Care Fund	\$-	\$3,422,000
Total Funding Request:	\$-	\$3,422,000
Total Positions Requested:	11.0	

This issue was heard during the subcommittee’s March 23rd hearing.

Subcommittee Staff Comment and Recommendation—Approve. DMHC’s Help Center has experienced a substantial increase in consumer call and complaint volume related to the large volume of new consumers enrolled in managed care since implementation of the Affordable Care Act. Approval of this request, funded by special fund revenue from health plan regulatory fees, will allow DMHC to manage this new workload.

Issue 2: Information Technology Resource Request

Budget Issue. DMHC requests two positions and expenditure authority from the Managed Care Fund of \$746,000 in 2017-18, \$722,000 in 2018-19 and 2019-20, and \$289,000 annually thereafter. If approved, these resources would allow DMHC to address information security needs and transition to an efficient information technology (IT) systems architecture and forward looking roadmap to meet business intelligence requirements.

Program Funding Request Summary		
Fund Source	2016-17	2017-18
0933 – Managed Care Fund	\$-	\$746,000
Total Funding Request:	\$-	\$746,000
Total Positions Requested:	2.0	

This issue was heard during the subcommittee’s March 23rd hearing.

Subcommittee Staff Comment and Recommendation—Approve. DMHC’s legacy applications face security and interoperability issues that may interfere with its health plan oversight and regulatory program responsibilities. DMHC intends to address these issues with the positions and resources contained in this request. In addition, DMHC will improve its IT operations by migrating its applications, servers, and workstations to the Office of Technology’s Cloud, pursuant to the state’s “Cloud First” technology policy. Approval of this request, funded by special fund revenue from health plan regulatory fees, will allow DMHC to manage these IT upgrades and transitions.

4260 DEPARTMENT OF HEALTH CARE SERVICES

Issue 1: Use of CalWORKs Eligibility to Determine Medi-Cal Eligibility

Trailer Bill Language Proposal. DHCS proposes trailer bill language to provide statutory authority to seek federal approval to use determination of eligibility for the California Work Opportunity and Responsibility to Kids (CalWORKs) program as a determination of eligibility for the Medi-Cal program.

This issue was heard during the subcommittee’s March 23rd hearing.

Subcommittee Staff Comment and Recommendation—Approve. This proposal is consistent with current practice in Medi-Cal, which has allowed CalWORKs beneficiaries to be determined eligible for

Medi-Cal since 1999. DHCS is proposing this language to provide statutory authority for its current practice at the request of the federal Centers for Medicare and Medicaid Services. Approval of this proposal, which has no fiscal impact, will allow DHCS to comply with the federal request and provide explicit statutory authority for its current practice.

Issue 2: County Administration COLA Trailer Bill Language Proposal

County Administration COLA Trailer Bill Language. ABX4 12 (Evans), Chapter 12, Statutes of 2009, prohibits automatic cost-of-living adjustments (COLAs) to state departments and agencies. However, Welfare and Institutions Code Section 14154(c)(1) states legislative intent that counties receive adequate funding, including an annual COLA, for the eligibility work performed on behalf of the Medi-Cal program. Since 2009, the Legislature has approved trailer bill language annually to state legislative intent to not appropriate funds for a COLA for county's eligibility workload in that year. DHCS proposes trailer bill language to add 2017-18 to the list of fiscal years beginning in 2008-09 during which it is the intent of the Legislature not to appropriate funds for a county COLA.

This issue was heard during the subcommittee's March 23rd hearing.

Subcommittee Staff Comment and Recommendation—Approve. This proposal is consistent with the Legislature's previous annual actions since 2009 to add the upcoming fiscal year to the years in which it does not intend to appropriate funds for a county eligibility COLA. Approval of this proposal, which has no fiscal impact, will continue this past practice.

Issue 3: Substance Use Disorder Licensing Workload

Budget Issue. DHCS requests 20 permanent positions (conversion of six limited-term positions and 14 new positions) and expenditure authority of \$2.5 million (\$290,000 Narcotic Treatment Program Licensing Trust Fund, \$1.7 million Residential and Outpatient Program Licensing Fund, and \$531,000 reimbursements). If approved, these resources would support increased licensing, monitoring, and complaint investigation workload as a result of expansion of services under the federal Affordable Care Act (ACA) and the Drug Medi-Cal Organized Delivery System (DMC-ODS) Waiver.

Program Funding Request Summary		
Fund Source	2016-17	2017-18
0243 – Narcotic Treatment Program Licensing Trust Fund	\$-	\$290,000
3113 – Residential and Outpatient Program Licensing Fund	\$-	\$1,726,000
0995 – Reimbursements	\$-	\$531,000
0890 – Federal Trust Fund [non-add]	\$-	[\$1,046,000]
Total Funding Request:	\$-	\$2,547,000

This issue was heard during the subcommittee's March 30th hearing.

Subcommittee Staff Comment and Recommendation—Approve. Implementation of the federal ACA and the DMC-ODS Waiver has resulted in additional workload for DHCS, particularly licensing and monitoring of new narcotic treatment programs and investigations of consumer complaints.

Approval of this request, funded by a combination of special fund revenue from program licensing fees and reimbursements, will allow DHCS to manage this increased workload. In addition, according to DHCS, it does not expect to request an increase in program licensing fees to fund this request.

Issue 4: Alternative Birthing Center Reimbursement

Budget Issue and Trailer Bill Language Proposal. DHCS proposes trailer bill language to allow reimbursement for deliveries in alternative birthing centers (ABCs) based on the equivalent, lowest acuity diagnosis-related group (DRG) reimbursement provided to general acute care hospitals. The budget includes \$43,500 (\$21,755 General Fund and \$21,765 federal funds) for increased costs associated with higher reimbursement rates to ABCs upon approval of the proposed trailer bill language. The trailer bill language also makes technical changes to remove outdated reporting requirements and other statutory references.

Alternative Birthing Center Funding Request Summary		
Fund Source	2016-17	2017-18
0001 – General Fund	\$-	\$21,755
0890 – Federal Trust Fund	\$-	\$21,765
Total Funding Request:	\$-	\$43,500

This issue was heard during the subcommittee's April 27th hearing.

Subcommittee Staff Comment and Recommendation—Approve. Reimbursement rates for ABCs are based on determinations made by a commission that no longer exists. This proposal aligns ABC reimbursement with the lowest acuity DRG reimbursement provided to general acute care hospitals. Approval of this trailer bill language proposal, which results in minor increases in General Fund and federal fund expenditures, will update ABC reimbursement to align with the current hospital birth reimbursement methodology.

Issue 5: Ground Emergency Medical Transportation Supplemental Pmt. Program Audits

Budget Issue. DHCS requests three positions (conversion of limited-term to permanent) and expenditure authority of \$393,000 (\$197,000 federal funds and \$196,000 reimbursements) annually. If approved, these resources would allow the department to continue auditing workload for its supplemental reimbursement program for ground emergency medical transportation (GEMT) providers.

Program Funding Request Summary		
Fund Source	2016-17	2017-18
0890 – Federal Trust Fund	\$-	\$197,000
0995 – Reimbursements	\$-	\$196,000
Total Funding Request:	\$-	\$393,000
Total Positions Requested:	3.0	

This issue was heard during the subcommittee's April 27th hearing.

Subcommittee Staff Comment and Recommendation—Approve. The GEMT supplemental reimbursement program provides an enhanced rate to GEMT providers using certified public expenditures to draw down additional federal matching funds. Approval of this request, which is funded by federal funds and reimbursements from local public entities, will allow DHCS to continue auditing and other activities associated with the operation of this program.

Issue 6: AB 959 Clinic Supplemental Reimbursement Audits

Budget Issue. DHCS requests a two-year extension of expenditure authority of \$1.4 million (\$697,000 federal funds and \$697,000 reimbursements). If approved, these resources would allow the department to implement supplemental Medi-Cal payments to state veterans homes and public clinics pursuant to AB 959 (Frommer), Chapter 162, Statutes of 2006.

Program Funding Request Summary		
Fund Source	2016-17	2017-18
0890 – Federal Trust Fund	\$-	\$697,000
0995 – Reimbursements	\$-	\$697,000
Total Funding Request:	\$-	\$1,394,000
Total Positions Requested:	0.0	

This issue was heard during the subcommittee’s April 27th hearing.

Subcommittee Staff Comment and Recommendation—Approve. AB 959 allows state veteran’s homes and public clinics to receive supplemental reimbursements using certified public expenditures to draw down additional federal matching funds. Approval of this request, which is funded by federal funds and reimbursements from state veterans homes and public clinics, will allow DHCS to implement the required auditing and other activities associated with the operation of this program.

Issue 7: Elimination of State-Only Child Health and Disability Prevention Program

Trailer Bill Language Proposal. DHCS proposes to repeal the statutory provisions granting eligibility for the state-only Child Health and Disability Prevention (CHDP) program. If approved, this language would eliminate access to CHDP’s health screening and immunization services for children not enrolled in Medi-Cal.

Child Health and Disability Prevention Program (State-Only) – Funding and Caseload Estimate			
Fund Source	2016-17	2016-17	2017-18
	<i>2016 Budget</i>	<i>Revised</i>	<i>Proposed</i>
0001 – General Fund	\$115,000	\$32,000	\$1,000
Estimated Caseload (State-Only Screens):	1,794	509	0

This issue was heard during the subcommittee’s April 27th hearing.

Subcommittee Staff Comment and Recommendation—Reject Proposed Trailer Bill Language. While DHCS reports it has received no claims for state-only CHDP since November 2016, uncertainty regarding changes in federal policy on immigration enforcement and health care suggest caution in eliminating the availability of this program prematurely. It is recommended to reject the proposed trailer bill language to eliminate eligibility for the state-only program, while maintaining the program’s caseload estimate. Rejection of the proposed trailer bill language has no fiscal impact.

Issue 8: Third Party Liability Contracting Authority

Trailer Bill Language Proposal. DHCS proposes trailer bill language to clarify and update its contracting requirements for third party liability recoveries consistent with other provisions of state contracting law.

This issue was heard during the subcommittee’s April 27th hearing.

Subcommittee Staff Comment and Recommendation—Adopt Placeholder Trailer Bill Language Including Administration’s Proposal and Clarifying Amendments. Medi-Cal is seeking to align statutory requirements for third party liability recovery contracting with current practice. Stakeholders proposed additional clarifying language to limit the contracting authority to the department’s personal injury and workers’ compensation recovery programs. According to the Administration, this amendment is consistent with the intent of its proposal. Adoption of the Administration’s proposed trailer bill language, with the clarifying amendments, will align statutory requirements with other state contracting requirements and eliminate unnecessary contracting mandates.

Issue 9: Every Woman Counts Accrual to Cash Budgeting

Trailer Bill Language Proposal. DHCS proposes trailer bill language to change the Every Woman Counts (EWC) program budget from an accrual to a cash basis beginning in 2017-18 and reduce the frequency of program reporting requirements from quarterly to biannually.

This issue was heard during the subcommittee’s April 27th hearing.

Subcommittee Staff Comment and Recommendation—Approve. EWC is one of the few remaining DHCS programs budgeted on an accrual basis, rather than a cash basis. This proposal results in one-time General Fund savings of approximately \$1.2 million due to shifting of budgeting for EWC services provided in 2017-18 to future years when claims are received. Approval of this request will allow DHCS to consistently budget its programs and results in one-time General Fund savings.

4265 DEPARTMENT OF PUBLIC HEALTH

Issue 1: Childhood Lead Poisoning Prevention Program IT Project Planning

Budget Issue. DPH requests one position and expenditure authority from the Childhood Lead Poisoning Prevention (CLPP) Fund of \$480,000 in 2017-18 and \$158,000 annually thereafter. If

approved, these resources would allow the CLPP program to conduct required Project Approval Lifecycle analyses to upgrade its electronic blood lead testing information system.

Program Funding Request Summary		
Fund Source	2016-17	2017-18
0080 – Childhood Lead Poisoning Prevention (CLPP) Fund	\$-	\$480,000
Total Funding Request:	\$-	\$480,000
Total Positions Requested:	1.0	

This issue was heard during the subcommittee’s March 9th hearing.

Subcommittee Staff Comment and Recommendation—Approve. The CLPP program’s existing electronic information system for laboratory blood testing is reaching the limits of its ability to meet the needs of the program. Approval of this request, funded by special fund revenue from fees on manufacturers of lead-containing products, will allow DPH to continue project planning to develop a replacement system.

Issue 2: Youth Tobacco Enforcement Staffing

Budget Issue. DPH requests conversion of nine expiring, limited-term positions to permanent and \$1.1 million reimbursement expenditure authority. If approved, these resources would allow DPH to continue tobacco retailer inspections and other activities to prevent tobacco sales to children, pursuant to a contract with the U.S. Food and Drug Administration (FDA).

Program Funding Request Summary		
Fund Source	2016-17	2017-18
0995 - Reimbursements	\$-	\$1,130,000
Total Funding Request:	\$-	\$1,130,000
Total Positions Requested:	9.0	

This issue was heard during the subcommittee’s March 9th hearing.

Subcommittee Staff Comment and Recommendation—Approve. DPH enforces federal restrictions on the sale and marketing of tobacco products to children pursuant to a contract with the FDA. Approval of this request, funded by federal reimbursements, will allow DPH to continue its tobacco retailer inspections as part of its federal enforcement activities.

Issue 3: Preventing Healthcare-Associated Infections in Facilities

Budget Issue. DPH requests six positions and expenditure authority from the Licensing and Certification Program Fund of \$991,000 annually. If approved, these resources would allow the department's Healthcare-Associated Infections (HAI) program to increase public education, track strategic performance measures, and support the HAI Advisory Committee.

Program Funding Request Summary		
Fund Source	2016-17	2017-18
3098 – Licensing & Certification Program Fund	\$-	\$991,000
Total Funding Request:	\$-	\$991,000
Total Positions Requested:	6.0	

This issue was heard during the subcommittee's March 9th hearing.

Subcommittee Staff Comment and Recommendation—Approve. The HAI program collects, analyzes, interprets and publishes HAI data from 392 California hospitals to help prevent the incidence of HAIs in patients. Approval of this request, funded by special fund revenue from health facility licensing fees, will allow the program to work closely with hospitals to improve prevention of HAIs, hire a Medical Director, and improve public outreach.

Issue 4: L&C: Performance Measurement and Quality Improvement
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Budget Issue. DPH requests expenditure authority from the Internal Departmental Quality Improvement Account (IDQIA) of \$2 million in 2017-18, 2018-19, and 2019-20. If approved, these resources would allow DPH to execute quality improvement projects and contracts to improve facility, agency and professional regulation and oversight.

Program Funding Request Summary		
Fund Source	2016-17	2017-18
0942 – Internal Departmental Quality Improvement Acct.	\$-	\$2,000,000
Total Funding Request:	\$-	\$2,000,000
Total Positions Requested:	0.0	

This issue was heard during the subcommittee's March 9th hearing.

Subcommittee Staff Comment and Recommendation—Approve. IDQIA funding is meant for internal quality improvement activities in the Licensing and Certification Program. This request intends to use these funds to improve IT procurement, develop external dashboards and data displays, improve automation, evaluate outcomes, develop and retain staff, and redesign IT systems. Approval of this request, funded by special fund revenue from fines on health facilities, will allow DPH to implement these quality improvement projects.

Issue 5: Improved Access to Vital Statistics Data
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Budget Issue. DPH requests expenditure authority from the Health Statistics Special Fund of \$75,000 in 2017-18 and \$325,000 in 2018-19. If approved, these resources would fund replacement of the California Vital Statistics Query (CA-VSQ), a web-based interactive system that allows access to medical and demographic data collected by the department.

Program Funding Request Summary		
Fund Source	2016-17	2017-18
0099 – Health Statistics Special Fund	\$-	\$75,000
Total Funding Request:	\$-	\$75,000
Total Positions Requested:	0.0	

This issue was heard during the subcommittee’s March 9th hearing.

Subcommittee Staff Comment and Recommendation—Approve. The CA-VSQ system, which provides access to medical and demographic data collected by DPH, is twenty years old and has several important functional limitations. Approval of this request, funded by special fund revenue from record search and document fees, will allow DPH to hire a vendor to develop and implement a new, more functional and flexible system for public access to vital statistics data.

Issue 6: Ryan White Program Compliance with Standards, Quality, and Timeliness

Budget Issue. DPH is requesting seven positions and annual expenditure authority of \$1,239,000, comprised of \$740,000 from the Federal Trust Fund and \$499,000 from the AIDS Drug Assistance Program (ADAP) Rebate Fund. If approved, these resources would allow the department’s Office of AIDS to address findings from a federal Health Resources and Services Administration (HRSA) site visit, improve client health outcomes, and reduce health disparities through implementation of Standards of Care and a Clinical Quality Management Program. DPH also plans to redirect two positions from other departmental divisions for this purpose.

Program Funding Request Summary		
Fund Source	2016-17	2017-18
0890 – Federal Trust Fund	\$-	\$740,000
3080 – AIDS Drug Assistance Program Rebate Fund	\$-	\$499,000
Total Funding Request:	\$-	\$1,239,000
Total Positions Requested:	7.0	

This issue was heard during the subcommittee’s March 9th hearing.

Subcommittee Staff Comment and Recommendation—Approve. The recent HRSA site visit found the Ryan White program had not implemented required Standards of Care or a Clinical Quality Management Program and was not in compliance with state requirements on prompt payment of invoices. Approval of this request, funded by federal Ryan White grant funds and special fund revenue

from ADAP-related drug manufacturer rebates, will allow the Ryan White program to address these issues identified by HRSA.

Issue 7: Demographic Data – Asian-American, Native Hawaiian, Pacific Islander (AB 1726)

Budget Issue. DPH requests 2.5 positions and expenditure authority from the Health Statistics Special Fund of \$326,000 in 2017-18, \$316,000 in 2018-19, and \$314,000 annually thereafter. If approved, these resources would allow DPH to include additional separate data collection categories and other tabulations for specified Asian-American, Native Hawaiian, and other Pacific Islander subgroups pursuant to the requirements of AB 1726 (Bonta), Chapter 607, Statutes of 2016.

Program Funding Request Summary			
Fund Source	Program	2016-17	2017-18
0099 – Health Statistics Special Fund			
	Chronic Disease Prevention and Health Promotion	\$-	\$82,000
	Health Statistics and Informatics	\$-	\$244,000
Total Funding Request:		\$-	\$326,000
Total Positions Requested:		2.5	

This issue was heard during the subcommittee’s March 9th hearing.

Subcommittee Staff Comment and Recommendation—Approve. AB 1726 requires, on or after July 1, 2022, DPH to collect and publish separate data for specified Asian-American, Native Hawaiian, and other Pacific Islander subgroups. Approval of this request, funded by special fund revenue from record search and document fees, will allow DPH to implement these data collection and publication requirements.

Issue 8: Certified Copies of Vital Records: Electronic Application (AB 2636)

Budget Issue. DPH requests two permanent positions and expenditure authority from the Health Statistics Special Fund of \$257,000 in 2017-18, \$253,000 in 2018-19 and 2019-20, and \$127,000 in 2020-21. If approved, these resources would allow DPH to implement acceptance of electronic acknowledgments for requests for certified copies of birth, death, or marriage records, pursuant to AB 2636 (Linder), Chapter 527, Statutes of 2016.

Program Funding Request Summary		
Fund Source	2016-17	2017-18
0099 – Health Statistics Special Fund		
	\$-	\$257,000
Total Funding Request:		\$-
Total Positions Requested:		2.0

This issue was heard during the subcommittee’s March 9th hearing.

Subcommittee Staff Comment and Recommendation—Approve. AB 2636 authorizes state and local government officials to accept electronic acknowledgment of requests for certified copies of vital records. Approval of this request, funded by special fund revenue from record search and document fees, will allow DPH to implement the requirements of AB 2636.

Issue 9: Public Health Emergency Preparedness
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Budget Issue and Trailer Bill Language Proposal. DPH requests 88.3 positions (76.8 conversion from limited-term and 11.5 new positions) and expenditure authority of \$11.8 million federal funds annually. If approved, these resources would allow DPH to continue its public health emergency preparedness activities pursuant to requirements in state and federal law. Accompanying the request is proposed trailer bill language to make technical and clarifying changes to provisions of state law governing the program.

Program Funding Request Summary		
Fund Source	2016-17	2017-18
0890 – Federal Trust Fund	\$-	\$11,752,000
Total Funding Request:	\$-	\$11,752,000
Total Positions Requested:	88.3	

This issue was heard during the subcommittee’s May 4th hearing.

Subcommittee Staff Comment and Recommendation—Approve. Cooperative agreements with the federal Centers for Disease Control and Prevention (CDC) provide federal funding for a variety of state and local health system emergency preparedness activities to counter potential bioterrorism, chemical, nuclear, or radiologic threats. Approval of this request, funded by federal funds, and the accompanying trailer bill proposal will allow DPH to continue its public health emergency preparedness activities pursuant to the CDC agreements and make technical and clarifying changes to provisions of state law to update code references, align financial requirements to current practice, and adjust baseline allocations to reflect current budgeting.

Issue 10: Newborn Screening Program (SB 1095)
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Budget Issue. DPH requests one position and expenditure authority from the Genetic Disease Testing Fund of \$2.69 million (\$769,000 state operations and \$1.92 million local assistance) in 2017-18, and \$137,000 state operations annually thereafter. If approved, these resources would allow the Genetic Disease Screening Program (GDSP) to implement additional newborn screening requirements for genetic diseases required pursuant to SB 1095 (Pan), Chapter 363, Statutes of 2016.

Program Funding Request Summary		
Fund Source	2016-17	2017-18
0203 – Genetic Disease Testing Fund		
State Operations:	\$-	\$769,000
Local Assistance:	\$-	\$1,928,000
Total Funding Request:	\$-	\$2,689,000
Total Positions Requested:	1.0	

This issue was heard during the subcommittee's May 4th hearing.

Subcommittee Staff Comment and Recommendation—Approve. SB 1095 requires GDSP to implement screening for any disease detectable in blood samples within two years of being adopted by the federal Recommended Uniform Screening Panel. Approval of this request, funded by special fund revenue from genetic testing fees, will allow GDSP to implement the new testing protocols for the first two diseases, mucopolysaccharidosis type I and Pompe disease, and to implement secondary testing protocols to help reduce false positive results.

ISSUES FOR DISCUSSION

0977 CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
4260 DEPARTMENT OF HEALTH CARE SERVICES
4265 DEPARTMENT OF PUBLIC HEALTH
5180 DEPARTMENT OF SOCIAL SERVICES

Issue 1: Proposals for Investment
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Stakeholder Proposals for Investment. Various stakeholders have proposed the following investments for inclusion in the budget:

0977 California Health Facilities Financing Authority

Extension of Expenditure Authority for Investment in Mental Health Wellness Grants. The California Behavioral Health Directors Association (CBHDA) requests extension of expenditure authority for grants provided under the Investment in Mental Wellness Act of 2013. The 2013 Budget Act included \$144.8 million General Fund to increase capacity for mobile crisis support, crisis intervention, crisis stabilization services, crisis residential treatment, and specified personnel resources. The funds were made available for encumbrance or expenditure until June 30, 2016. CBHDA requests

budget bill language to instead make these grant funds available for encumbrance or expenditure until December 31, 2021.

Healthcare Expansion Loan Program (HELP II) Funding for Clinic Operations. The Treasurer requests budget authority of \$20 million from the fund balance supporting the HELP II program for a grant program for operations costs of non-profit small or rural health centers in critical service areas at risk of losing federal funding. Because HELP II funding is required to be allocated to the expansion of facilities, trailer bill language is required to allow allocation of the HELP II fund balance for operations.

4260 Department of Health Care Services

Revised Proposition 56 Allocation Proposal. The California Medical Association (CMA) and the California Dental Association (CDA) have revised their proposed allocation of Proposition 56 tobacco tax revenue, heard in the subcommittee's April 27th hearing. CMA and CDA, along with Planned Parenthood, request approximately \$1 billion Proposition 56 tobacco tax revenue for the following augmentations: 1) \$50 million for provider rate increases for family planning (Family PACT), 2) \$639.2 million for incentive payments to physicians based on access to care for Medi-Cal beneficiaries, 3) \$274 million for incentive payments to dentists based on access to care for Denti-Cal beneficiaries, and 4) \$39.3 million for stakeholder proposals previously included in the 1115 Waiver, but not approved.

Erroneous Payment Correction Recoupments from Medi-Cal Providers. CMA proposes trailer bill language regarding recoupment of erroneous payments to Medi-Cal providers that would: 1) limit the recoupment period to 365 days after the date of payment, 2) limit payment offsets to recoup erroneous payments to no more than twenty percent of the payment, and 3) require notice to providers of the amount owed and other relevant information. This proposal would likely result in an unknown, but potentially significant increase in General Fund expenditures in Medi-Cal as erroneous payment correction recoupments are delayed into future fiscal years.

Aged and Disabled Program Eligibility. The Western Center on Law and Poverty and 32 other organizations request approximately \$30 million General Fund to raise the income eligibility for Medi-Cal's Aged and Disabled program to 138 percent of the federal poverty level. This proposal would bring the Aged and Disabled program into alignment with other income-based Medi-Cal eligibility programs.

Robert F. Kennedy Farm Workers Health Plan Stop-Loss Payments. The Robert F. Kennedy Farm Workers Health Plan requests trailer bill language to extend until January 1, 2026, the funding requirements contained in SB 145 (Pan), Chapter 712, Statutes of 2015. SB 145 requires DHCS to annually reimburse the plan up to \$3 million per year for claim payments that exceed \$70,000 made by the plan on behalf of an eligible employee or dependent for a single episode of care on or after September 1, 2016. If approved, this request would extend these reimbursements for five years. According to representatives of the Robert F. Kennedy Farm Workers Health Plan, this extension would allow the plan to build sufficient reserves to no longer require stop-loss funding from the state.

Santa Rosa Community Health Centers Grant. The Santa Rosa Community Health Centers request \$6.4 million General Fund over two years for a grant supporting service expansion at the Dutton Health Center clinic. The clinic intends to begin providing primary care, mental health, and oral health services to individuals with disabilities in Sonoma County beginning December 2017. These funds are intended

to provide short-term funding for the increased costs of providing services to this high acuity population while it works with DHCS to establish a clinic reimbursement rate consistent with its increased costs.

4265 Department of Public Health

Mosquito Surveillance. The Mosquito and Vector Control Association of California request \$2 million General Fund to create the California Mosquito Surveillance and Research Program Account, to be administered by DPH, to fund California-based surveillance and research on mosquitoes. This request includes \$1.5 million to fund the California Vectorborne Disease Surveillance System, known as CalSurv.

Sickle Cell Treatment Centers. Several organizations request \$80 million one-time General Fund for Sickle Cell Treatment Centers. If approved, these centers would provide resources and training to health care providers and those affected by Sickle Cell Disease, as well as aid in the formulation of best practice guidelines for reliable care.

5180 Department of Social Services

Deaf Access Program Augmentation. The California Coalition of Agencies Serving the Deaf and Hard of Hearing requests \$3 million General Fund for the Deaf Access Program (DAP) in the Department of Social Services (DSS). The DAP provides deaf and hard of hearing individuals with the communication services they need to access state and local programs to which they are entitled. The Office of Deaf Access, housed in DSS, administers this program. Currently, the DAP is funded at \$5.2 million and serves approximately 158,000 people.

Subcommittee Staff Comment and Recommendation—Hold Open. It is recommended to hold these items open pending updates to the state’s General Fund condition at the May Revision.